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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, GUATEMALA — 1152

TO : THE DEPARTMENT OF STATE, WASHINGTON. — June 26, 1953

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	RECD JUNE 29	OTHER ARMY NAVY AIR CSD CIA

SUBJECT: Joint Weeka No. 26 for State, Army and Air Departments from S - Section I

DECLASSIFICATION DATE 11-8-78
PER Cannon OFFICE ARA
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This week, Guatemala's Communist-led national labor federation, Confederación General de Trabajadores de Guatemala (CGTG), and the Communist-oriented agricultural federation, Confederación Nacional Campesina de Guatemala (CNCG), showed their growing influence over the Administration "Revolutionary" parties by obtaining Congressional sanction for proportionally more representation in the Agrarian Reform machinery and exerting pressures on shaping the 1953-54 national budget. The Administration majority in Congress passed a number of amendments to the Agrarian Reform Law requested by the Executive branch but, acting on the advice of its Special Committee on Agrarian Reform headed by Víctor Manuel GUTIERREZ, Communist Secretary General of the CGTG, it disregarded the Administration's recommendation to eliminate CGTG and CNCG representatives from provincial Agrarian Commissions and granted the federations two thirds of the seats on these bodies. Moreover, during the week a pro-Communist faction won the election for officers of the railway union SAMF, a development likely to make for closer cooperation between CGTG headquarters and this key affiliate.

In foreign relations, Guatemala again revealed ineptness when on June 20 Dr. Raúl OSEGUEDA, Guatemalan Foreign Minister, told the press no invitation had been extended to President Ulate of Costa Rica to visit Guatemala although the local press had already carried President Ulate's acceptance to an invitation he believed he had received through Colonel Rafael O'MEANY, Guatemalan Ambassador at San José. The Costa Rican Government then declared Colonel O'Meany persona non grata. During the week, Guatemala recognized the new Colombian Government.

In a shift of the psychological climate, the usually pro-American independent newspapers this week attacked the United States for what they conceived to be the U.S. policy on Korean truce negotiations. They said the armistice was an "utter and complete" U.S. defeat and a warning that U.S. protection brought only slaughter and ruin to small countries who relied on it.

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6/26/53 REPORTER

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DEPARTMENT OF STATE RECEIVED JUN 29 1953 CLASSIFIED MESSAGE CENTER

From: GUATEMALA

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DOMESTIC AFFAIRS 790004-1218

Communist-Oriented Unions Strengthen Position in Agrarian Reform: On June 19, the Guatemalan Congress passed most of the amendments to the Agrarian Reform Law requested by the Arbenz Administration (Weeka 25) but on the only important issue set aside the Administration's recommendation that the representatives of the CGTG and the CNCG, both of which are under Communist guidance, be eliminated from the Departmental Agrarian Commissions in the interests of efficiency. Instead, the Congress voted that these Commissions should be reduced from five to three members, the Departmental Governor and one representative each from the CGTG and the CNCG. This proposal was made to Congress by its Special Committee on Agrarian Reform headed by the Communist leader Víctor Manuel Gutiérrez, and under this formula the CGTG and CNCG will be in the majority on the Departmental Commissions.

This legislation, which has yet to be approved by the President, underscores the determination of the Communists and their sympathizers to use the Agrarian Reform as an "evolutionary" political instrument and represents a check for Major Alfonso MARTINEZ, Chief of the National Agrarian Department and former Private Secretary to President Arbenz, who originally proposed the elimination of the CGTG and CNCG representation in the apparent hope that this would allow a more orderly implementation of the law.

Unions Show Strength in Congress: The growing influence of the CGTG and of the CNCG, which is headed by Sr. Leonardo CASTILLO Flores, a Vice President of the local "Peace" Committee, was further illustrated when debate on the fiscal 1954 budget (see Section II) had to be interrupted while Administration party leaders retired to consult with the CGTG and CNCG leaderships.

LABOR

Pro-Communists Sweep Railway Union Elections: The June 18-20 elections for officers of the railway union SAMF (Weeka 25) resulted in an impressive victory for the pro-Communist faction whose slate, led by Sr. Jaime ZAVALA as candidate for Secretary General, achieved 2,008 votes to 1,024 for the anti-Communist slate, led by the opportunistic Sr. Arturo MORALES Cubas. In view of the character of its Executive Committee, the SAMF appears likely to work more closely with the Communist-led CGTG federation in which it is the strongest single union. The losing faction is reportedly considering withdrawing from the union but such a move would probably be futile since a

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union to be effective must be recognized by the Government and the law does not allow the recognition of more than one industrial union under a single employer.

FOREIGN AFFAIRS

Guatemalan-Costa Rican Relations Strained: In an incident illustrating anew Dr. Raul Osegueda's ineptness, he told the press, after local newspapers had reported President Otilio Ulate's acceptance of an invitation he believed had been transmitted to him by Colonel Rafael O'Meany, Guatemalan Ambassador to Costa Rica, that the Guatemalan Government had not invited President Ulate to visit the country. On June 25, the Costa Rican Government declared Colonel O'Meany persona non grata.

Guatemala Recognizes New Colombian Government: Dr. Osegueda during the week sent a note to the Colombian Government recognizing the new Government of General Gustavo ROJAS Pinilla and commenting that General Rojas' accession had brought about the "cessation of all persecution and the state of unrest which unfortunately had existed in our sister Republic".

PSYCHOLOGICAL

Independent Press Attacks United States on Korea: Expressing sharp disillusionment at what they conceive to be the conduct of the United States in the Korean situation, most independent Guatemala City newspapers this week published outspoken and embittered editorials charging that an armistice leaving the Communists in Korea represented a "horrible defeat politically, militarily and humanly for the U.S."; that the United States comes to the aid of small nations only to leave them in ruins; and that there was no hope that the United States could save humanity from Communism. The about-face of the independent press, with the lone exception of the widely-circulated El Imparcial which remained silent, was significant as it usually is the major vehicle for getting the American viewpoint before Guatemalans and of counterbalancing the pro-Government press and radio which have followed a Communist-tinted line on Korea as on other matters. The week's developments had added impact since they followed closely on the unfavorable press that the United States received from the independent and Government newspapers about the Rosenberg case (Weeka 25).

R E Schoenfeld

Rudolf E. Schoenfeld

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